



Short-Term Single-Buyer Export Credit Insurance

Exporters of U.S. goods and services can reduce their risks of selling internationally on credit terms by insuring specific, export-related accounts receivable with Ex-Im Bank's Short-Term Single-Buyer Export Credit Insurance Policy. This policy is a valuable tool for:

Risk Mitigation	→ insure receivables against nonpayment by an international buyer
Marketing	→ extend competitive credit terms to an international buyer
Financing	→ arrange attractive financing with the exporter's lender by using insured foreign receivables as additional collateral

Coverage

This policy covers:

- Exports of U.S. goods and services (products must have at least 51% U.S. content, including labor but excluding mark-up).
- Single or multiple shipments to one buyer on credit terms (including documentary credits, unconfirmed letters of credit, and open account) located in an eligible country (per Ex-Im Bank's Country Limitation Schedule).
- Repayment terms up to 180 days (depending on the export item or service); exceptionally up to 360 days for qualifying transactions.
- Coverage does not include confirmed letters of credit, cash-in-advance sales, and certain military and defense-related items.

Coverage Parameters - Commercial and Political

This policy covers losses due to commercial reasons (such as insolvency and protracted default) and political events (such as war, revolution, seizure of goods, revocation of import license, and foreign exchange inconvertibility). The percentage of coverage is the same for both commercial and political risks, but varies depending on the type of obligor:

- Sovereign obligors - 100%
- Private sector and other non-sovereign obligors - 90%
- Letter of credit transactions - 95%
- Bulk agricultural transactions - 98%

Special Coverage

For an additional premium, the exporter may request pre-shipment coverage. This is valuable in cases where goods are special ordered, or there is a long manufacturing run prior to shipment. By obtaining this option, the exporter locks in coverage conditions for a specified period of time, generally up to 180 days from contract signing. Pre-shipment coverage excludes contract cancellation risk. Endorsements for non-acceptance cover and other types of specialized cover are also available.

Application Process and Premium Payments

Exporters submit an application on the buyer, including a credit report and trade references. Depending on the total shipment volume to be insured, the buyer's financial statements may also be required. If approved, Ex-Im Bank issues a commitment notice, valid for 60 days, during which time Ex-Im Bank cannot rescind the offer of insurance. To accept the commitment and have the insurance policy issued, the exporter is required to pay the full premium up front. There is no application fee.

Premium Rates and Minimum Premiums

Premium rates are published on Ex-Im Bank's website www.exim.gov (under the "Country/Fee info" section, look for "exposure fee advice tables"). The premium rates vary by country, type of buyer, and length of the credit term extended.

Minimum premiums per policy are specified below. The lower minimum premiums apply for exporters qualified as a "small business" under U.S. Small Business Administration guidelines:

	<u>Small Exporter</u>	<u>Other</u>
▶ Sovereign Buyers and Political only coverage	\$ 500	\$ 750
▶ Financial Institutions - Private and Non-Sovereign Public	\$ 500	\$ 1,500
▶ Non-Financial Institutions - Private and Non-Sovereign Public	\$ 500	\$ 2,500

■ Claims may be filed no earlier than 90 days after the due date, and no later than 8 months after the due date.

■ Claims are paid within 60 days of receipt of all required documents (faster when filed on-line).

Policy Assignments

Subject to approval, policy proceeds (claim payments) may be assigned to a financial institution to arrange receivables financing or add insured export receivables to the borrowing base.

This is not a solicitation by the Export-Import Bank of the United States or its employees. It is a descriptive summary only. The complete terms and conditions of the policy are set forth in the policy, applications, and endorsements.